

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION**

INCOME TAX REFERENCE NO. 25 OF 1992

WITH

INCOME TAX REFERENCE NO. 492 OF 1998

WITH

INCOME TAX REFERENCE NO. 505 OF 1998

WITH

INCOME TAX REFERENCE NO. 506 OF 1998

WITH

INCOME TAX REFERENCE NO. 787 OF 1998

Commissioner of Income-tax, Pune. ... Applicant.

V/s.

Shri Dilip S. Sable, Pune.

... Respondent.

A.K.Kotangale for the applicant.

Ms.Phalguni Thakkar i/b. Rustamji & Ginwala
for the respondent.

CORAM : V.C.DAGA AND A.S.AGUIAR, JJ.

DATED : 3rd August 2005.

P.C. :

. Heard learned counsel for th
applicant-revenue. Perused reference proceedings.

2. In all these matters, learned counsel for
the respondents invited our attenntion to the
instructions issued by the Central Board of Direct
Taxes, New Delhi dated 27th March, 2000; wherein

monetary limit for the department for filing
reference to the High Court earlier fixed for
Rs.50,000/- came to be revised and fresh
instructions are issued by the Board to file
reference only in cases where tax effect exceeds
Rs.2,00,000/-.

4. This Court in the case of **C.I.T. v. Camco**

Colour Co., (2002) 254 ITR 565 ruled that the above

instructions are binding on the department.

5. The above instructions dated 27th March,

2000 reflects the policy decision taken by the Board
not to raise questions of law where the tax effect
is less than the amount prescribed in the
instructions with a view to reduce litigations
before High Courts and Supreme court. The circular
is binding on the Revenue. There is no
justification to proceed with the decades old
references having negligible tax effect.

6. We, thus, do not think it necessary to

answer these references. Accordingly, the above
references stand returned unanswered with no order
as to costs.

(A.S.AGUIAR, J.)

(V.C.DAGA, J.)